

SUMMARY OF NO. 11-01

This proposed law would give persons who buy a new or used motor vehicle from a dealer a 3-day right to cancel the purchase. The 3-day period would not include holidays. The proposed law would require dealers to provide notice of the 3-day cancellation period at the time of the sale and to incorporate it into the written contract in large bold print.

If a buyer trades in a vehicle as part of the transaction, the proposed law would require the dealer to hold the trade-in vehicle in a secure location and not sell or dispose of it until after the 3-day cancellation period. If the dealer sells or disposes of the vehicle before the end of the 3-day period, and the buyer then exercises the right to cancel the purchase, the dealer would be required to pay the buyer the full price for which the dealer sold the vehicle, or its fair market value, whichever was higher.